

**FREQUENTLY ASKED QUESTION OF BANK INDONESIA CIRCULAR LETTER NO.15/32/DPM
CONCERNING THE SIX AMENDMENT OF BANK INDONESIA CIRCULAR LETTER NO. 12/18/DPM
DATED 7 JULY 2010 REGARDING OPEN MARKET OPERATIONS**

1. Q : **What is the principal arrangement in the improvement of this circular letter?**
A : Adding regulation on the issuance of Bank Indonesia Deposit Certificate (SDBI) by Bank Indonesia, limiting SDBI transactions in the secondary market, imposing sanctions related to SDBI transactions and perfecting Foreign Exchange Transaction particularly related to swap transaction, changing tenor of foreign currency Term Deposit and time limit of foreign currency Term Deposit settlement.
2. Q : **What does it mean by SDBI?**
A : SDBI is Securities in rupiah currency issued by Bank Indonesia as an acknowledgement of short term that can be traded only inter Banks.
3. Q : **When does Bank Indonesia conduct SDBI auction?**
A : Auction can be conducted on a business day determined by Bank Indonesia with a window time between 08.00 am to 4.00 pm. In the event SDBI issuance auction will be conducted, Bank Indonesia will announce the plan referred to through BI-SSSS, LHBU system and/or other facilities.
4. Q : **Who can purchase SDBI?**
A : SDBI auction in primary market can be participated by OPT Participants, that can submit bids directly or through Intermediary Agencies.
5. Q : **Can SDBI be traded in secondary market?**
A : Yes, however, it can only be transacted inter Banks and in the event it owned by parties other than Banks, Bank Indonesia will conduct early redemption toward the SDBI referred to.
6. Q : **Can SDBI be used in the transaction with Bank Indonesia?**
A : Yes, SDBI can be used as collateral in Monetary Operations transactions, among other repo, and lending facility, and also in FLI transactions.
7. Q : **Is there a sanction related to SDBI transaction?**
A : Yes there is
 - a. Sanction on failure to settle SDBI transaction in primary market.
 - Imposed to Banks
 - In the form of written warning, obligation to pay penalty and sanction of suspension to participate in OPT activities for five business days consecutively in the event Bank fails to make 3 (three) settlements within 6 (six) months.
 - b. Sanction on violation of SDBI transaction limitation in secondary market
 - Imposed to Banks and Sub-Registries (as the administrator of securities on behalf other than Banks).
 - In the form of written warning and obligation to pay.
8. Q : **Can swap transaction with auction method conducted by Banks with Bank Indonesia be considered as a pass on in the Banks derivative transaction position with Banks related parties?**
A : Yes, it can be considered as a pass on of Banks derivative transaction position with Banks related parties.
9. Q : **How is the change in the period of Foreign Currency Term Deposit which currently is 7, 14 and 30 days?**
A : Period of foreign currency Term Deposit is amended to 1 (one) day up to 12 (twelve) months.



10. Q : **How about settlement of foreign currency Term Deposit transaction?**

A : Settlement of foreign currency Term Deposit transactions is amended from the initial of 2 (two) business days after the date of transaction becomes a maximum of 2 (two) business days after the date of transaction.

